

Office for
Students



Mid-year allocations of recurrent funding for 2023-24

Funding to encourage provision of
Level 4 and 5 qualifications

Reference OfS 2024.15

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Summary

1. This publication outlines the Office for Students' (OfS's) allocations of £16 million of recurrent funding to higher education providers for the academic year of 2023-24. The publication does not require a response.
2. The 2023-24 allocations consist of:
 - £11 million initial allocation to encourage greater provision of Level 4 and 5 qualifications
 - a further allocation of £5 million to be announced in July 2024.
3. This follows the guidance letter from the Secretary of State for Education on 30 March 2023, which set out the funding available to the OfS for the 2023-24 financial year.¹
4. These allocations are part of a larger package of recurrent funding distributed by the OfS for the 2023-24 academic year, which totals £1,407 million. This package was announced in July 2023, in 'Recurrent funding for 2023-24' (OfS 2023.31).²
5. We will calculate allocations of funding to support Level 4 and 5 provision pro-rata to the number of OfS-fundable full-time equivalent (FTE) students taking qualifications at these levels in each provider. We will derive these numbers from the Higher Education Students Early Statistics survey for 2023-24 (HESES23). We have also applied an additional weighting to reflect the number of students taking Higher Technical Qualifications (HTQs) recorded in HESES23.
6. In total, 275 providers are receiving funds for Level 4 and 5 provision in this announcement.
7. Annex A shows allocations for providers registered in the Approved (fee cap) category of the OfS Register on 1 March 2024. We will update this annex in July 2024 to reflect the allocation of the additional £5 million. After this point, this document will not be updated; in the case of any changes to data, providers should instead refer to Annex A of our publication 'Recurrent funding for 2023-24', which we will update periodically.

¹ See 'Guidance to the OfS on the higher education strategic priorities grant for the 2023-24 financial year (March 2023)', available at: www.officeforstudents.org.uk/advice-and-guidance/regulation/guidance-from-government/.

² See 'Recurrent funding for 2023-24', available at: www.officeforstudents.org.uk/publications/recurrent-funding-for-2023-24/.

Introduction

8. This publication announces allocations for funding to support the growth of Level 4 and 5 provision. These allocations are for the 2023-24 academic year (1 August 2023 to 31 July 2024). Unless otherwise stated, all years in this document relate to academic years.
9. Annex A to this document lists allocations of these funding streams for each provider registered with the OfS in the Approved (fee cap) category on 1 March 2024. The annex is available to download alongside this document as a separate Microsoft Excel file.
10. We will also update 'Recurrent funding for 2023-24' (OfS 2023.31)³ to reflect these new funding allocations.

Background

11. The Secretary of State for Education wrote to the OfS on 30 March 2023 to announce the strategic priorities grant funding available to the OfS for the 2023-24 financial year. This guidance letter set out the government's desire to grow high quality Level 4 and 5 provision, with HTQs as flagship courses and asked us to allocate £16 million to support these qualifications.
12. In 'Funding for academic year 2023-24: OfS decisions' (OfS 2023.26),⁴ we announced details of how we would distribute the £16 million via formula methods. The funds allocated will reflect relevant student numbers reported in the 2023-24 academic year in the Higher Education Students Early Statistics (HESES23) survey.
13. For the purposes of this funding stream, Level 4 and 5 provision relates to undergraduate students on courses leading to qualifications that are designated at Level 4 or 5 of the sector-recognised standards.⁵ This includes:
 - Certificate of Higher Education (CertHE) and Certificate in Education (CertEd) courses
 - Higher National Certificate (HNC) courses
 - Higher National Diploma (HND) courses
 - Diploma of Higher Education (DipHE) courses
 - foundation degree courses.
14. It does not include foundation degree bridging courses or students who are undertaking credits at Level 4 or 5 without a stated qualification aim at either level.

³ See www.officeforstudents.org.uk/publications/recurrent-funding-for-2023-24/.

⁴ See www.officeforstudents.org.uk/publications/funding-for-academic-year-2023-24/.

⁵ See www.officeforstudents.org.uk/publications/sector-recognised-standards/.

Calculation method

15. Providers will receive an allocation of funding to support Level 4 and 5 provision where they have recorded students in any year of study in HESES23 who are on courses leading to qualifications that are designated at Level 4 or 5 of the sector-recognised standards.

Data to inform calculations

16. In 2022-23, the designated data body (DDB) implemented the Data Futures specification for the Student record to replace the Legacy Student and Student Alternative records. Data returned under this specification is done so on a different basis to data submitted in previous years and to that submitted to the Education and Skills Funding Agency through the Individualised Learner Record (ILR).

17. As a result of these changes, the basis on which student activity is counted for HESES was changed for HESES23 to better align with the new Data Futures specification for the Student record and the ILR.

18. In HESES23, providers were required to record a count of years of engagement. In comparison with previous HESES surveys, HESES23 did not require providers to return estimates of non-completion or FTE for part-time courses.

19. In order to calculate the allocations of Level 4 and 5 funding, we will be using providers' HESES22 data to convert the years of engagement recorded in HESES23 into FTE values. The method for this conversion was set out in 'Changes to 2023 student data surveys to inform funding: Notification of changes' (OfS 2023.33).⁶

20. We have issued our initial funding FTEs to providers; this was announced on 21 March in 'HESES23: multiplication factors representations process guidance' (OfS 2024.14).⁷ Providers have until 16 May 2024 to make representations to us if they feel that the initial funding FTEs need adjusting to reflect significant changes to their provision compared with 2022-23. We will confirm final funding FTEs in early June 2024, once the representations window has closed.

Allocation method

21. Funding will be distributed pro-rata to the number of 2023-24 funding FTEs for each provider for students recorded on courses leading to qualifications designated at Level 4 or 5 of the sector-recognised standards.

⁶ See www.officeforstudents.org.uk/publications/changes-to-2023-student-data-surveys-to-inform-funding-notification-of-changes/.

⁷ See www.officeforstudents.org.uk/publications/heses23-multiplication-factors-representations-process-guidance/.

22. We will apply a weighting to the FTEs for each provider to reflect the number of Home fee, OfS-fundable students at this level recorded in HESES23 who are also on HTQ courses. The weighting will be calculated by taking the following information from Table 5 of HESES23:
- The number of students recorded as 'UG (Level 4 and 5)' **and** taking an HTQ (recorded in section C).
 - The total number of 'UG (Level 4 and 5) students. (The sum of column 1 and column 2 in section A.)
23. The weighting for each provider will be $\left(\frac{a}{b}\right) + 1$; effectively counting students taking HTQs twice. We will calculate separate weightings for full-time and sandwich year-out students (taken together) and for part-time students for each provider.
24. For each mode, we will multiply the total number of OfS-fundable FTEs at 'UG (level 4 and 5)' by this weighting to produce a weighted FTE figure. The sum of these weighted FTEs for full-time and part-time will produce the final total weighted FTEs for the provider.
25. As an example; the College of North Filton records:
- 100 full-time students in HESES23 at UG (Level 4 and 5) with 12 of these recorded as on HTQs. The total full-time 2023-24 funding FTEs for this provision is 85.
 - 50 part-time students in HESES23 at UG (Level 4 and 5), with 20 of these on HTQs. The total full-time 2023-24 funding FTEs for this provision is 22.5.
26. The weighted FTEs for the college can be calculated:
- Full-time: $\left(\frac{12}{100}\right) + 1 =$ weighting of 1.12. Weighted FTEs = $1.12 \times 85 = 95.2$
 - Part-time: $\left(\frac{20}{50}\right) + 1 =$ weighting of 1.4. Weighted FTEs = $1.4 \times 22.5 = 31.5$
27. The college's total weighted FTEs will be $95.2 + 31.5 = 126.7$.

Allocation of funding

28. We are announcing an initial allocation of funding of £11 million in April 2024. This will be calculated based on the initial funding FTEs announced in March 2024, before the representations process noted in paragraph 18.
29. We will allocate the remaining £5 million of funding in July 2024, after all representations have been considered. Allocations of this £5 million will reflect the final 2023-24 funding FTEs. We expect most providers to see an increase in their funding from the additional allocations made in July. We will not reduce the allocation of Level 4 and 5 funding for a provider beyond the initial allocations announced in April.

Terms and conditions, payment, and monitoring

30. The full terms and conditions under which the OfS provides funding can be found in 'Terms and conditions of funding for 2023-24' (OfS 2023.30).⁸ These allocations will be paid according to the normal monthly payment profile that applies to recurrent grant for 2023-24, with the first payment in the next available payment.
31. We will monitor provider's use of this funding allocation through a light-touch monitoring exercise that will be completed after the end of the 2023-24 academic year. Providers will be asked to provide a brief narrative to set out how they have used their funding allocation in line with the purposes identified in paragraph 38 of our terms and conditions document, and to identify benefits and outcomes achieved. Further details will be announced later this year.

Further information

32. Providers requiring further information should contact recurrentgrant@officeforstudents.org.uk.

⁸ See www.officeforstudents.org.uk/publications/terms-and-conditions-of-funding-for-2023-24/.



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